

12m Results 2023

 Opinion ⁽¹⁾: In line

 Impact ⁽¹⁾: We lower our estimates

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Energy Solar Tech, is a renewable energy company (founded in 2020) that offers its customers energy generation and efficiency technologies through a range of energy outsourcing solutions under the 'Energy as a Service' (EaaS). ETC has traded on BME Growth since 2022. Currently, ETC gets 100% of sales from Spain

2023 results: confirmation of the leap in scale unlocked by M&A activity

SHARP GROWTH IN REVENUE VIA M&A... ETC reported EUR 52.6Mn of revenue in 2023 (vs EUR 13.3Mn in 2022), thanks to the acquisition last year of the remaining 49% of Parque Valdelugo and 100% of the engineering firm, Sarpel. By business line, outsourcing generated revenue of EUR 11.6Mn (vs EUR 13.3Mn in 2022; the only business line that year), engineering contributed EUR 35.8Mn, with the generation business accounting for the remaining EUR 5.0Mn.

... MULTIPLYING RECURRING 2022 EBITDA BY 3.6X. 2023 EBITDA amounted to EUR 8.9Mn (vs EUR 2.7Mn in 2022 and vs our estimate of EUR 9.0Mn), thanks to the company's M&A strategy. Below the EBITDA line, depreciation and amortisation charges amounted to EUR 4Mn (vs EUR 0.5Mn in 2022). As a result, EBIT came in at EUR 5.4Mn (vs 2.5Mn in 2022). The sharp growth in recurring EBITDA pushed recurring operating CF to EUR 7.8Mn (vs EUR 3.2Mn in 2022).

NET DEBT AT YEAR-END STOOD AT EUR 13.0Mn (ND/REC. EBITDA: 1.5X). Implying a ND/equity multiple of 0.3x. In other words, a very healthy financial position. Net finance costs came to EUR 1.1Mn (vs cost of EUR 0.1Mn in 2022), to leave net profit at EUR 2.8Mn (vs EUR 2.2Mn in 2022).

THE VERTICAL INTEGRATION MODEL IS PERMITTING (STRONG) GROWTH WITHOUT MUCH RISK. We think the "leap" taken in 2023 will continue, thanks, among other things, to the company's focus on the acquisition and construction of wind and power generation assets (driving ND to EUR 73Mn in 2024e). Albeit growing by slightly less than initially expected. Prompting us to trim our estimates for 2024e-2026e. Our new revenue and recurring EBITDA estimates for 2024e call for EUR 67.0Mn and EUR 11.6Mn, respectively (down from EUR 75.6Mn and EUR 16.1Mn).

IN SHORT: A MAJOR LEAP IN SCALE, WHICH HAS YET TO RUN ITS COURSE. The 2023 results endorse ETC's growth strategy. As already noted, we see further upside thanks to: (i) the vertical integration strategy (business diversification); (ii) the focus on more profitable and cash-generating business lines (operating CF is expected to jump from EUR 7.8Mn in 2023 to EUR 27.7Mn in 2026e), albeit highly dependent on the speed of execution of the generation pipeline; and (iii) a healthy financial position at year-end 2023. A story the market is still missing out on. In light of the recent share price performance (ETC -12m: -53.0%, -61.2% vs Ibex 35, -53.0% vs sector), our 2024 estimates imply an EV/EBITDA multiple of 10.2x. All of which framed by low risk, as leverage will increase "hand in hand" with growth in the generation business (generating higher FCF). The other businesses don't need debt to grow.

Market Data

Market Cap (Mn EUR and USD)	105.7	115.1
EV (Mn EUR and USD) ⁽²⁾	117.7	128.2
Shares Outstanding (Mn)	26.8	
-12m (Max/Med/Min EUR)	9.28 / 5.85 / 3.61	
Daily Avg volume (-12m Mn EUR)	0.06	
Rotation ⁽³⁾	15.1	
Factset / Bloomberg	ETC-ES / ETC SM	
Close fiscal year	31-Dec	

Shareholders Structure (%) ⁽⁷⁾

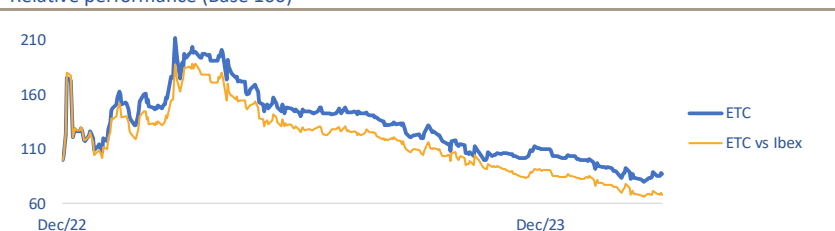
Alberto Hernández Poza	21.1
Erbienergía Inversiones	12.6
José Abel Martín Sánchez	10.6
Alberto Torrego López	10.6
Free Float	44.6

Financials (Mn EUR)

	2023	2024e	2025e	2026e
Adj. nº shares (Mn)	25.2	26.8	26.8	26.8
Total Revenues	52.6	67.0	87.8	107.2
Rec. EBITDA	8.9	11.6	21.8	28.1
% growth	229.0	30.6	88.7	28.6
% Rec. EBITDA/Rev.	16.9	17.3	24.9	26.2
% Inc. EBITDA sector ⁽⁴⁾	22.1	2.9	5.4	2.1
Net Profit	2.8	0.8	7.1	10.3
EPS (EUR)	0.11	0.03	0.26	0.38
% growth	16.6	-72.7	757.9	45.1
Ord. EPS (EUR)	0.12	0.03	0.26	0.38
% growth	13.8	-74.2	757.9	45.1
Rec. Free Cash Flow ⁽⁵⁾	0.9	-47.1	-14.9	-10.0
Pay-out (%)	0.0	0.0	0.0	0.0
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	13.0	73.3	88.2	98.3
ND/Rec. EBITDA (x)	1.5	6.3	4.0	3.5
ROE (%)	7.9	1.7	13.7	17.0
ROCE (%) ⁽⁵⁾	9.6	4.2	8.1	9.4

Ratios & Multiples (x) ⁽⁶⁾

	2023	2024e	2025e	2026e
P/E	35.0	n.a.	14.9	10.3
Ord. P/E	32.9	n.a.	14.9	10.3
P/BV	2.2	2.2	1.9	1.6
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	2.24	1.76	1.34	1.10
EV/Rec. EBITDA	13.3	10.2	5.4	4.2
EV/EBIT	21.7	25.0	8.8	6.5
FCF Yield (%) ⁽⁵⁾	0.8	n.a.	n.a.	n.a.

Relative performance (Base 100)


Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	-1.5	-21.4	-53.0	-15.1	n.a.	n.a.
vs Ibex 35	-7.7	-25.1	-61.2	-19.1	n.a.	n.a.
vs Ibex Small Cap Index	-1.7	-20.0	-50.9	-13.2	n.a.	n.a.
vs Eurostoxx 50	-6.3	-28.2	-62.0	-23.0	n.a.	n.a.
vs Sector benchmark ⁽⁴⁾	-2.8	-14.5	-53.0	-8.6	n.a.	n.a.

(1) The opinion regarding the results is on reported EBITDA with respect to our estimate for the year (12m). The impact reflects whether, due to the results, we envisage a significant revision (>5% - 10%, depending on the sector) of our EBITDA estimate (for any of the estimated years).

(2) Please refer to Appendix 3.

(3) Rotation is the % of the capitalisation traded - 12m.

(4) Sector: Stoxx Europe 600 Utilities.

(5) Please see Appendix 2 for the theoretical tax rate (ROCE) and rec. FCF calculation.

(6) Multiples and ratios calculated over prices at the date of this report.

(7) Others: Treasury Stock 0.5%

(*) Unless otherwise indicated, all the information contained in this report is based on: The Company, Factset and Lighthouse.

Energy Solar Tech (ETC) is a BME Growth company.

BME Growth is the segment of BME MTF Equity aimed at small and medium sized companies, directed and managed by the Spanish stock market and is subject to the CNMV supervision. BME MTF Equity is not a Regulated Market but instead falls within the classification of a Multilateral Trading Facility (MTF) as defined under the Markets in Financial Instruments Directive (MiFID). In July 2020, BME Growth obtained the status of SME Growth Market, a new category of EU regulations, which in Spain is called Mercado de Pymes en Expansión.

BME Growth is the Spanish equity market for companies of reduced capitalisation which aim to grow, with a special set of regulations, designed specifically for them, and with costs and process tailored to their particular features. Operations in BME Growth (former MAB) started in July 2009. There are currently c.140 companies listed on it. Companies listed on the MAB can choose to present their financial statements under IFRS or the General Accounting Plan (PGC) and Royal Decree 1159/2010 (NOFCAC).

12m Results 2023
Table 1. 2023 Results

EUR Mn	12m23 Real	12m22	12m23 Real vs 12m22	2023e	12m23 Real vs 2023e
Total Revenues	52.6	13.3	296.1%	52.0	1.1%
Recurrent EBITDA	8.9	2.7	229.0%	9.0	-1.4%
<i>Rec. EBITDA/Revenues</i>	<i>16.9%</i>	<i>20.3%</i>	<i>-3.4 p.p.</i>	<i>17.3%</i>	<i>-0.4 p.p.</i>
EBITDA	8.9	2.5	257.6%	9.0	-1.4%
<i>EBITDA/Revenues</i>	<i>16.9%</i>	<i>18.7%</i>	<i>-1.8 p.p.</i>	<i>17.3%</i>	<i>-0.4 p.p.</i>
EBIT	5.4	2.5	117.1%	5.0	8.0%
PBT	4.3	2.5	74.2%	4.2	3.8%
NP	2.8	2.2	27.6%	3.4	-16.6%
Net Debt	13.0	-3.8	444.2%	15.1	-13.8%

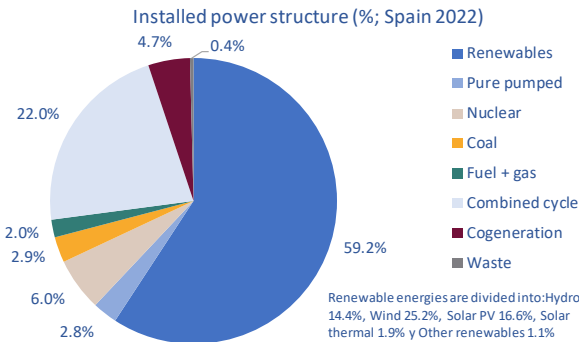
Note 1: Rec. EBITDA and EBITDA adjusted to exclude the impact of capitalised expenses.

Table 2. Estimates downgrade

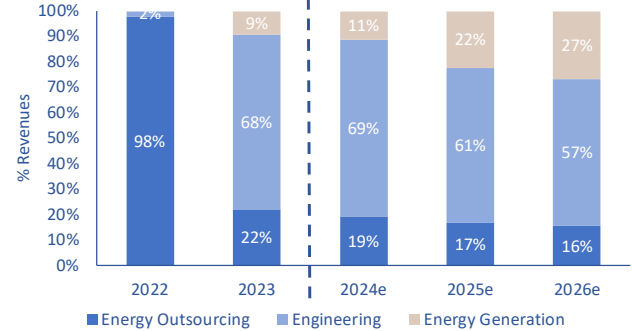
EUR Mn	2024e (New)	Review (%)	2025e (New)	Review (%)	2026e (New)
Total Revenues	67.0	-11.4%	87.8	-22.9%	107.2
Recurrent EBITDA	11.6	-26.2%	21.8	-29.8%	28.1
<i>Recurrent EBITDA growth</i>	<i>30.6%</i>	<i>-46.4 p.p.</i>	<i>88.7%</i>	<i>-9.5 p.p.</i>	<i>28.6%</i>
<i>Rec. EBITDA/Revenues</i>	<i>17.3%</i>	<i>-3.5 p.p.</i>	<i>24.9%</i>	<i>-2.4 p.p.</i>	<i>26.2%</i>
<i>ND / EBITDA</i>	<i>6.3 x</i>	<i>1.9 x</i>	<i>4.0 x</i>	<i>1.3 x</i>	<i>3.5 x</i>

The company in 8 charts

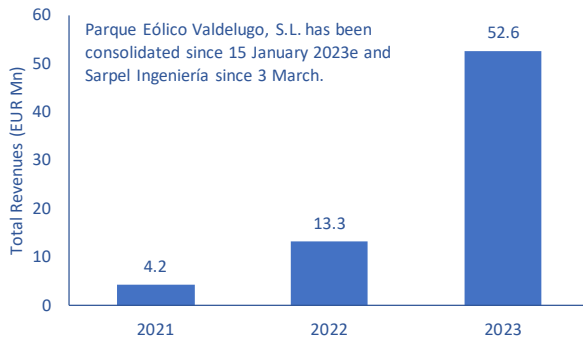
Renewable energies in Spain: wind and solar PV are winning technologies in a growing sector



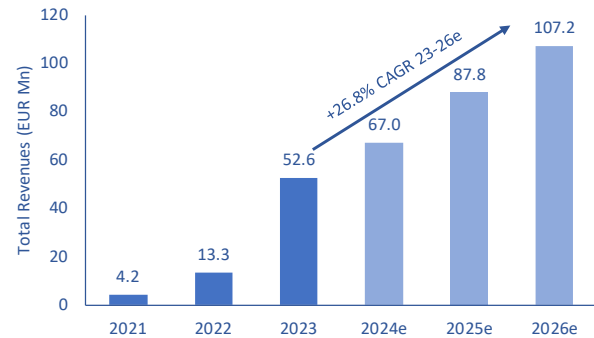
ETC: a vertically integrated renewable energy company (with three business lines)



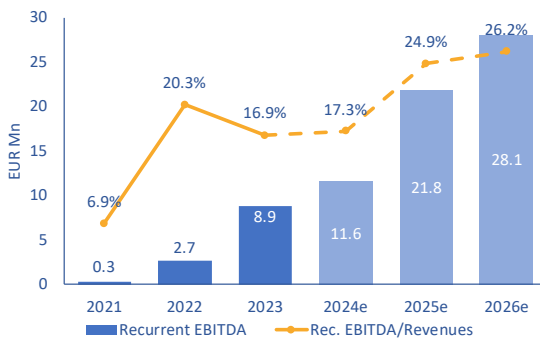
In 2023, the company has acquired several (wind and solar PV) generation assets and an engineering firm...



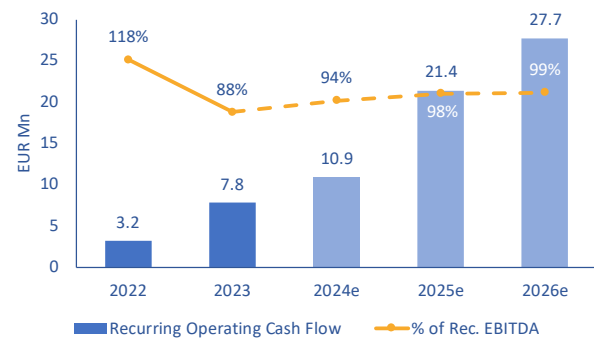
... which has driven a sharp step-up in scale and a change in the business mix



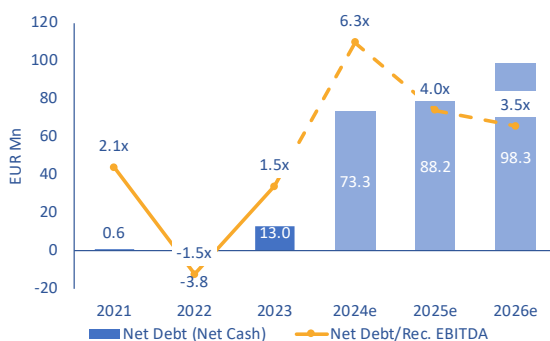
The outlook is for strong growth in recurring EBITDA (+47% CAGR 23-26e) ...



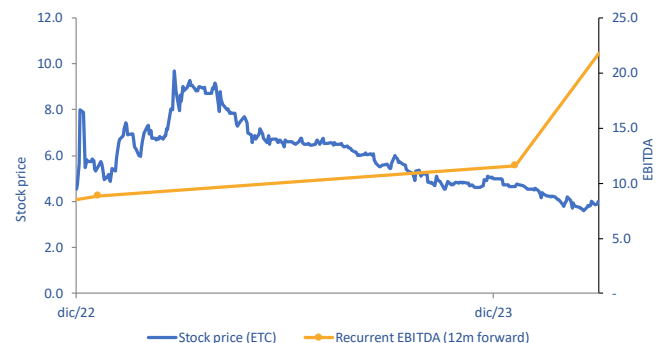
... lifting recurring operating cash flow (OCF) generation to EUR 27.7Mn in 2026e



Debt will increase with the development and construction of the wind and solar PV project pipeline



In 2024e, ETC shares should rally after falling over the past few months



Valuation inputs

Inputs for the DCF Valuation Approach

	2024e	2025e	2026e	Terminal Value ⁽¹⁾		
Free Cash Flow "To the Firm"	(57.3)	(11.2)	(5.9)	n.a.		
Market Cap	105.7	At the date of this report				
Net financial debt	13.0	Debt net of Cash (12m Results 2023)				
					Best Case	Worst Case
Cost of Debt	7.0%	Net debt cost			6.8%	7.3%
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=
Net debt cost	5.6%	Kd = Cost of Net Debt * (1-T)			5.4%	5.8%
Risk free rate (rf)	3.2%	Rf (10y Spanish bond yield)			=	=
Equity risk premium	6.0%	R (own estimate)			5.5%	6.5%
Beta (B)	1.2	B (own estimate)			1.1	1.3
Cost of Equity	10.4%	Ke = Rf + (R * B)			9.3%	11.7%
Equity / (Equity + Net Debt)	89.0%	E (Market Cap as equity value)			=	=
Net Debt / (Equity + Net Debt)	11.0%	D			=	=
WACC	9.9%	WACC = Kd * D + Ke * E			8.9%	11.0%
G "Fair"	2.0%				2.0%	1.5%

(1) The terminal value calculated beyond the last FCF estimate does not reflect the company's growth potential (positive/negative) at the date of publication of this report.

Inputs for the Multiples Valuation Approach

Company	Ticker	Mkt. Cap	P/E 24e	EPS 24e-26e	EV/EBITDA 24e	EBITDA 24e-26e	EV/Sales 24e	Revenues 24e-26e	EBITDA/Sales 24e	FCF Yield 24e	FCF 24e-26e
Ameresco	AMRC-US	1,020.4	15.3	46.5%	11.5	20.9%	1.6	10.6%	13.8%	14.9%	n.a.
Sunnova	NOVA-US	502.9	n.a.	13.1%	22.5	35.8%	8.6	26.6%	38.0%	n.a.	-3.0%
Sunrun	RUN-US	1,994.6	n.a.	47.4%	n.a.	n.a.	6.2	16.5%	n.a.	n.a.	-11.8%
Sunpower	SPWR-US	455.8	n.a.	45.0%	n.a.	n.a.	0.5	11.8%	n.a.	n.a.	59.4%
Comparables EE. UU			15.3	38.0%	17.0	28.4%	4.2	16.4%	25.9%	14.9%	14.9%
Greening Energy	GGR-ES	170.2	18.9	46.7%	9.3	28.1%	1.1	28.9%	12.1%	n.a.	n.a.
Holaluz	HLZ-ES	54.7	96.1	n.a.	5.3	39.8%	0.1	-12.3%	2.8%	3.7%	n.a.
Comparables España			57.5	46.7%	7.3	34.0%	0.6	8.3%	7.4%	3.7%	n.a.
ETC	ETC-ES	105.7	n.a.	n.a.	10.2	55.8%	1.8	26.4%	17.3%	n.a.	59.2%

Free Cash Flow sensitivity analysis (2025e)

A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

Scenario	EBITDA/Sales 25e	EBITDA 25e	EV/EBITDA 25e
Max	27.4%	24.0	4.9x
Central	24.9%	21.8	5.4x
Min	22.4%	19.7	6.0x

B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

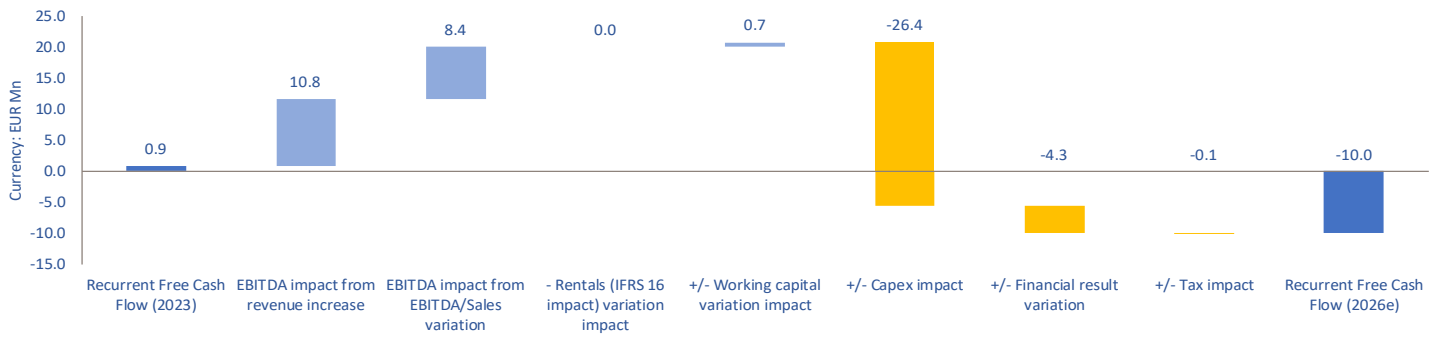
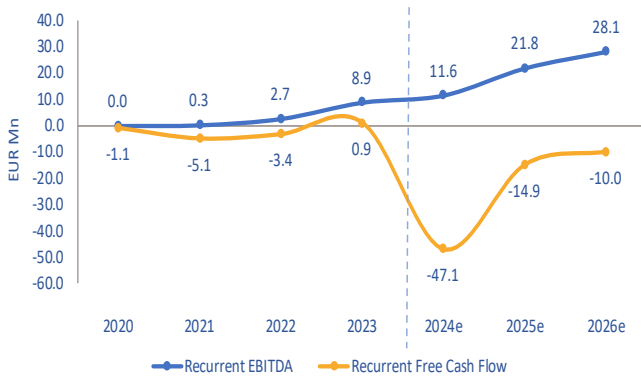
Rec. FCF EUR Mn	CAPEX/Sales 25e		
EBITDA 25e	30.8%	34.2%	37.6%
24.0	(9.7)	(12.7)	(15.7)
21.8	(11.9)	(14.9)	(17.9)
19.7	(14.1)	(17.1)	(20.1)

Appendix 1. Financial Projections

Balance Sheet (EUR Mn)	2019	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
Intangible assets	-	-	-	0.1	0.2	0.7	0.9	0.8		
Fixed assets	1.0	5.8	11.1	33.1	95.8	119.9	142.6			
Other Non Current Assets	0.0	0.0	8.4	0.1	0.1	0.1	0.1			
Financial Investments	0.0	0.1	0.7	1.2	1.2	1.3	1.3			
Goodwill & Other Intangibles	0.1	0.1	0.4	24.9	22.1	19.4	16.6			
Current assets	0.2	0.9	2.2	19.3	19.6	25.4	30.9			
Total assets	1.4	7.0	22.8	78.9	78.9	139.6	166.9	192.2		
Equity	1.7	5.9	24.2	47.4	48.2	55.3	65.6			
Minority Interests	-	-	-	0.1	0.0	(0.0)	(0.1)			
Provisions & Other L/T Liabilities	-	-	0.0	0.1	0.1	0.1	0.1			
Other Non Current Liabilities	-	-	-	-	-	-	-			
Net financial debt	(0.5)	0.6	(3.8)	13.0	73.3	88.2	98.3			
Current Liabilities	0.1	0.5	2.3	18.3	17.9	23.3	28.4			
Equity & Total Liabilities	1.4	7.0	22.8	78.9	78.9	139.6	166.9	192.2		
P&L (EUR Mn)	2019	2020	2021	2022	2023	2024e	2025e	2026e	20-23	23-26e
Total Revenues	0.3	4.2	13.3	52.6	67.0	67.0	87.8	107.2	<i>n.a.</i>	26.8%
<i>Total Revenues growth</i>	<i>n.a.</i>	<i>n.a.</i>	213.7%	296.1%	27.5%	30.9%	22.1%			
COGS	(0.1)	(3.3)	(8.8)	(31.6)	(42.2)	(51.8)	(63.2)			
Gross Margin	0.3	1.0	4.5	21.0	24.8	36.0	44.0	<i>n.a.</i>	28.0%	
<i>Gross Margin/Revenues</i>	<i>78.0%</i>	<i>22.5%</i>	<i>34.1%</i>	<i>39.9%</i>	<i>37.0%</i>	<i>41.0%</i>	<i>41.0%</i>			
Personnel Expenses	(0.1)	(0.3)	(1.0)	(7.3)	(8.0)	(8.4)	(9.2)			
Other Operating Expenses	(0.1)	(0.3)	(0.8)	(4.8)	(5.2)	(5.8)	(6.6)			
Recurrent EBITDA	0.0	0.3	2.7	8.9	11.6	21.8	28.1	<i>n.a.</i>	46.9%	
<i>Recurrent EBITDA growth</i>	<i>n.a.</i>	<i>942.1%</i>	<i>821.5%</i>	<i>229.0%</i>	<i>30.6%</i>	<i>88.7%</i>	<i>28.6%</i>			
<i>Rec. EBITDA/Revenues</i>	<i>8.0%</i>	<i>6.9%</i>	<i>20.3%</i>	<i>16.9%</i>	<i>17.3%</i>	<i>24.9%</i>	<i>26.2%</i>			
Restructuring Expense & Other non-rec.	(0.0)	-	(0.2)	-	-	-	-			
EBITDA	0.0	0.3	2.5	8.9	11.6	21.8	28.1	<i>n.a.</i>	46.9%	
Depreciation & Provisions	(0.0)	(0.2)	(0.5)	(4.1)	(7.7)	(9.3)	(10.9)			
Capitalized Expense	-	0.2	0.5	0.7	0.8	0.8	0.8			
Rentals (IFRS 16 impact)	-	-	-	-	-	-	-			
EBIT	(0.0)	0.3	2.5	5.4	4.7	13.4	18.0	<i>n.a.</i>	49.2%	
<i>EBIT growth</i>	<i>n.a.</i>	<i>n.a.</i>	<i>804.8%</i>	<i>117.1%</i>	<i>-12.9%</i>	<i>183.2%</i>	<i>34.6%</i>			
<i>EBIT/Revenues</i>	<i>n.a.</i>	<i>6.5%</i>	<i>18.8%</i>	<i>10.3%</i>	<i>7.0%</i>	<i>15.2%</i>	<i>16.8%</i>			
Impact of Goodwill & Others	-	-	-	-	-	-	-			
Net Financial Result	(0.0)	(0.0)	(0.1)	(1.1)	(3.8)	(4.6)	(5.2)			
Income by the Equity Method	-	-	0.1	0.0	0.0	0.0	0.0			
Ordinary Profit	(0.0)	0.2	2.5	4.3	1.0	8.8	12.8	<i>n.a.</i>	43.4%	
<i>Ordinary Profit Growth</i>	<i>n.a.</i>	<i>709.2%</i>	<i>955.0%</i>	<i>74.2%</i>	<i>-77.9%</i>	<i>817.2%</i>	<i>45.5%</i>			
Extraordinary Results	-	-	-	-	-	-	-			
Profit Before Tax	(0.0)	0.2	2.5	4.3	1.0	8.8	12.8	<i>n.a.</i>	43.4%	
Tax Expense	(0.0)	(0.0)	(0.3)	(1.5)	(0.2)	(1.8)	(2.6)			
<i>Effective Tax Rate</i>	<i>n.a.</i>	<i>10.6%</i>	<i>10.7%</i>	<i>34.0%</i>	<i>20.0%</i>	<i>20.0%</i>	<i>20.0%</i>			
Minority Interests	-	-	-	(0.0)	0.1	0.1	0.1			
Discontinued Activities	-	-	-	-	-	-	-			
Net Profit	(0.0)	0.2	2.2	2.8	0.8	7.1	10.3	<i>n.a.</i>	53.7%	
<i>Net Profit growth</i>	<i>n.a.</i>	<i>544.8%</i>	<i>954.3%</i>	<i>27.6%</i>	<i>-70.9%</i>	<i>757.9%</i>	<i>45.1%</i>			
Ordinary Net Profit	(0.0)	0.2	2.4	3.0	0.8	7.1	10.3	<i>n.a.</i>	50.7%	
<i>Ordinary Net Profit growth</i>	<i>n.a.</i>	<i>649.8%</i>	<i>n.a.</i>	<i>24.6%</i>	<i>-72.5%</i>	<i>757.9%</i>	<i>45.1%</i>			
Cash Flow (EUR Mn)	2019	2020	2021	2022	2023	2024e	2025e	2026e	20-23	23-26e
Recurrent EBITDA						11.6	21.8	28.1	<i>n.a.</i>	46.9%
Rentals (IFRS 16 impact)						-	-	-		
Working Capital Increase						(0.7)	(0.4)	(0.4)		
Recurrent Operating Cash Flow						10.9	21.4	27.7	<i>n.a.</i>	52.7%
CAPEX						(54.0)	(30.0)	(30.0)		
Net Financial Result affecting the Cash Flow						(3.8)	(4.6)	(5.2)		
Tax Expense						(0.2)	(1.8)	(2.6)		
Recurrent Free Cash Flow						(47.1)	(14.9)	(10.0)	41.5%	<i>n.a.</i>
Restructuring Expense & Other non-rec.						-	-	-		
- Acquisitions / + Divestures of assets						(13.3)	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
Free Cash Flow						(60.3)	(14.9)	(10.0)	<i>n.a.</i>	36.1%
Capital Increase						-	-	-		
Dividends						-	-	-		
Net Debt Variation						60.3	14.9	10.0		

Appendix 2. Free Cash Flow

A) Cash Flow Analysis (EUR Mn)	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
								20-23	23-26e
Recurrent EBITDA		0.3	2.7	8.9	11.6	21.8	28.1	<i>n.a.</i>	46.9%
<i>Recurrent EBITDA growth</i>		942.1%	821.5%	229.0%	30.6%	88.7%	28.6%		
<i>Rec. EBITDA/Revenues</i>		6.9%	20.3%	16.9%	17.3%	24.9%	26.2%		
- Rentals (IFRS 16 impact)		-	-	-	-	-	-		
+/- Working Capital increase		(0.3)	0.5	(1.1)	(0.7)	(0.4)	(0.4)		
= Recurrent Operating Cash Flow		(0.0)	3.2	7.8	10.9	21.4	27.7	<i>n.a.</i>	52.7%
<i>Rec. Operating Cash Flow growth</i>		77.1%	<i>n.a.</i>	145.3%	40.0%	96.8%	29.3%		
<i>Rec. Operating Cash Flow / Sales</i>		<i>n.a.</i>	23.9%	14.8%	16.2%	24.4%	25.8%		
- CAPEX		(5.0)	(6.5)	(3.6)	(54.0)	(30.0)	(30.0)		
- Net Financial Result affecting Cash Flow		(0.0)	(0.1)	(0.9)	(3.8)	(4.6)	(5.2)		
- Taxes		(0.0)	-	(2.4)	(0.2)	(1.8)	(2.6)		
= Recurrent Free Cash Flow		(5.1)	(3.4)	0.9	(47.1)	(14.9)	(10.0)	41.5%	<i>n.a.</i>
<i>Rec. Free Cash Flow growth</i>		-371.8%	32.7%	126.2%	<i>n.a.</i>	68.3%	32.6%		
<i>Rec. Free Cash Flow / Revenues</i>		<i>n.a.</i>	<i>n.a.</i>	1.7%	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>		
- Restructuring expenses & others		-	-	-	-	-	-		
- Acquisitions / + Divestments		(0.3)	(9.2)	(39.3)	(13.3)	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow		-	-	-	-	-	-		
= Free Cash Flow		(5.4)	(12.6)	(38.4)	(60.3)	(14.9)	(10.0)	<i>n.a.</i>	36.1%
<i>Free Cash Flow growth</i>		-415.3%	-134.4%	-205.8%	-56.9%	75.3%	32.6%		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>		<i>n.a.</i>	<i>n.a.</i>	0.8%	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>		<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>		
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)									
	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
Recurrent FCF(FY - 1)		(1.1)	(5.1)	(3.4)	0.9	(47.1)	(14.9)		
EBITDA impact from revenue increase		0.3	0.6	8.0	2.4	3.6	4.8		
EBITDA impact from EBITDA/Sales variation		(0.0)	1.8	(1.8)	0.3	6.7	1.4		
= Recurrent EBITDA variation		0.3	2.4	6.2	2.7	10.3	6.3		
- Rentals (IFRS 16 impact) variation impact		-	-	-	-	-	-		
+/- Working capital variation impact		(0.2)	0.8	(1.6)	0.4	0.3	0.0		
= Recurrent Operating Cash Flow variation		0.0	3.2	4.6	3.1	10.5	6.3		
+/- CAPEX impact		(4.0)	(1.5)	2.9	(50.4)	24.0	-		
+/- Financial result variation		(0.0)	(0.1)	(0.8)	(2.9)	(0.8)	(0.6)		
+/- Tax impact		(0.0)	0.0	(2.4)	2.2	(1.6)	(0.8)		
= Recurrent Free Cash Flow variation		(4.0)	1.7	4.3	(48.0)	32.2	4.9		
Recurrent Free Cash Flow		(5.1)	(3.4)	0.9	(47.1)	(14.9)	(10.0)		
C) "FCF to the Firm" (pre debt service) (EUR Mn)									
	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
EBIT		0.3	2.5	5.4	4.7	13.4	18.0	<i>n.a.</i>	49.2%
* <i>Theoretical Tax rate</i>		10.6%	10.7%	30.0%	20.0%	20.0%	20.0%		
= Taxes (pre- Net Financial Result)		(0.0)	(0.3)	(1.6)	(0.9)	(2.7)	(3.6)		
Recurrent EBITDA		0.3	2.7	8.9	11.6	21.8	28.1	<i>n.a.</i>	46.9%
- Rentals (IFRS 16 impact)		-	-	-	-	-	-		
+/- Working Capital increase		(0.3)	0.5	(1.1)	(0.7)	(0.4)	(0.4)		
= Recurrent Operating Cash Flow		(0.0)	3.2	7.8	10.9	21.4	27.7	<i>n.a.</i>	52.7%
- CAPEX		(5.0)	(6.5)	(3.6)	(54.0)	(30.0)	(30.0)		
- Taxes (pre- Financial Result)		(0.0)	(0.3)	(1.6)	(0.9)	(2.7)	(3.6)		
= Recurrent Free Cash Flow (To the Firm)		(5.0)	(3.6)	2.6	(44.1)	(11.2)	(5.9)	64.7%	-62.1%
<i>Rec. Free Cash Flow (To the Firm) growth</i>		-377.6%	29.4%	173.2%	<i>n.a.</i>	74.5%	47.7%		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>		<i>n.a.</i>	<i>n.a.</i>	4.9%	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>		
- Acquisitions / + Divestments		(0.3)	(9.2)	(39.3)	(13.3)	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow		-	-	-	-	-	-		
= Free Cash Flow "To the Firm"		(5.3)	(12.7)	(36.7)	(57.3)	(11.2)	(5.9)	<i>n.a.</i>	45.7%
<i>Free Cash Flow (To the Firm) growth</i>		-422.0%	-138.2%	-188.7%	-56.0%	80.4%	47.7%		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>		<i>n.a.</i>	<i>n.a.</i>	2.2%	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>		<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>		

Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)

Recurrent EBITDA vs Recurrent Free Cash Flow

Stock performance vs EBITDA 12m forward

Appendix 3. EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	105.7	
+ Minority Interests	0.1	12m Results 2023
+ Provisions & Other L/T Liabilities	0.1	12m Results 2023
+ Net financial debt	13.0	12m Results 2023
- Financial Investments	1.2	12m Results 2023
+/- Others		
Enterprise Value (EV)	117.7	

Appendix 5. Main peers 2024e

		USA				Spain				
EUR Mn		Ameresco	Sunnova	Sunrun	Sunpower	Average	Greening Energy	Holaluz	Average	ETC
Market data	Ticker (Factset)	AMRC-US	NOVA-US	RUN-US	SPWR-US		GGR-ES	HLZ-ES		ETC-ES
	Country	United States	United States	United States	United States		Spain	Spain		Spain
	Market cap	1,020.4	502.9	1,994.6	455.8		170.2	54.7		105.7
	Enterprise value (EV)	2,377.3	7,722.8	12,898.2	722.2		183.7	81.7		117.7
Basic financial information	Total Revenues	1,502.6	902.1	2,070.4	1,367.0		163.0	559.5		67.0
	Total Revenues growth	19.0%	36.3%	-0.2%	-11.7%	10.8%	272.1%	-39.2%	116.5%	27.5%
	2y CAGR (2024e - 2026e)	10.6%	26.6%	16.5%	11.8%	16.4%	28.9%	-12.3%	8.3%	26.4%
	EBITDA	207.0	342.8	(39.9)	(8.9)		19.7	15.6		11.6
	EBITDA growth	49.4%	951.4%	84.0%	92.4%	294.3%	599.0%	n.a.	599.0%	30.6%
	2y CAGR (2024e - 2026e)	20.9%	35.8%	n.a.	n.a.	28.4%	28.1%	39.8%	34.0%	55.8%
	EBITDA/Revenues	13.8%	38.0%	n.a.	n.a.	25.9%	12.1%	2.8%	7.4%	17.3%
	EBIT	127.0	(77.1)	(639.4)	(91.9)		14.3	4.5		4.7
	EBIT growth	63.4%	63.6%	15.2%	44.3%	46.6%	427.7%	181.2%	304.5%	-12.9%
	2y CAGR (2024e - 2026e)	29.1%	88.8%	9.5%	53.9%	45.3%	37.4%	n.a.	37.4%	95.2%
	EBIT/Revenues	8.5%	n.a.	n.a.	n.a.	8.5%	8.8%	0.8%	4.8%	7.0%
	Net Profit	66.0	(269.6)	(241.1)	(105.2)		7.6	0.6		0.8
	Net Profit growth	15.2%	29.8%	83.6%	49.6%	44.6%	237.8%	111.7%	174.8%	-70.9%
	2y CAGR (2024e - 2026e)	46.1%	12.2%	4.1%	44.2%	26.6%	60.4%	n.a.	60.4%	n.a.
	CAPEX/Sales %	0.3%	304.3%	118.3%	2.7%	106.4%	35.3%	0.4%	17.8%	80.5%
Free Cash Flow	152.3	(2,444.0)	(3,010.8)	(75.0)		(70.7)	2.0		(60.3)	
Net financial debt	1,268.3	8,693.0	10,587.1	180.8		85.6	59.7		73.3	
ND/EBITDA (x)	6.1	25.4	n.a.	n.a.	15.7	4.3	3.8	4.1	6.3	
Pay-out	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Multiples and Ratios	P/E (x)	15.3	n.a.	n.a.	n.a.	15.3	18.9	96.1	57.5	n.a.
	P/BV (x)	1.2	0.3	0.4	2.2	1.0	n.a.	13.9	13.9	2.2
	EV/Revenues (x)	1.6	8.6	6.2	0.5	4.2	1.1	0.1	0.6	1.8
	EV/EBITDA (x)	11.5	22.5	n.a.	n.a.	17.0	9.3	5.3	7.3	10.2
	EV/EBIT (x)	18.7	n.a.	n.a.	n.a.	18.7	12.8	18.1	15.5	25.0
	ROE	7.5	n.a.	n.a.	n.a.	7.5	n.a.	14.5	14.5	1.7
	FCF Yield (%)	14.9	n.a.	n.a.	n.a.	14.9	n.a.	3.7	3.7	n.a.
	DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Dvd Yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Note 1: Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).

Note 2: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

LIGHTHOUSE

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18-Mar-2024	n.a.	3.94	n.a.	n.a.	12m Results 2023	Enrique Andrés Abad, CFA
02-Nov-2023	n.a.	4.55	n.a.	n.a.	Initiation of Coverage	Enrique Andrés Abad, CFA

